

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**

**FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2007**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/2/08

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**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**FINANCIAL REPORT**  
As of and for the Year Ended June 30, 2007

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### Independent Auditor's Report

To the Board of Directors of  
Sabine Council on Aging, Inc.  
Many, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate nonmajor governmental funds of the Sabine Council on Aging, Inc. as of and for the year ended June 30, 2007, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sabine Council on Aging, Inc.'s management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate nonmajor governmental funds of the Sabine Council on Aging, Inc., as of June 30, 2007, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 9, 2007, on my consideration of the Sabine Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 6 through 12 and the required supplementary information on pages 39 through 42 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Council of Aging, Inc.'s basic financial statements. The supplementary financial information on pages 44 and 45 is not a part of the basic financial statements but are required by the Governor's Office of Elderly Affairs, State of Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Sabine Council on Aging, Inc. This supplementary financial information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Debrah A. Deen, CPA*

Mansfield, Louisiana  
November 9, 2007

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)**

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**As of and for the Year Ended June 30, 2007**

The following discussion and analysis of the Sabine Council on Aging's financial performance is provided as overview of the Council's financial activities for the year ended June 30, 2007. Please read it in conjunction with the financial statements, which begin on page 15.

**FINANCIAL HIGHLIGHTS**

- The Council showed a net increase in overall net assets of \$274,809 this year.
- Net Capital Assets of the Council decreased by \$51,053 primarily due to depreciation.
- The unreserved, undesignated fund balance for the Council's General Fund was \$663,090, which is a \$324,725 increase from the prior year. (See pages 18-19)

**HOW TO USE THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 180. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in her independent auditor's report, located immediately before this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA and OMB Circular A-133 that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

**REPORTING THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE STATEMENTS**

Our analysis of the Council as a whole begins on page 15. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, other nonfinancial factors, such as the condition of the council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services, should be considered. The Statement of Activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an

Administration function, Medicaid Transportation function, and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. The Medicaid Transportation is relevant to the activities of transporting the elderly, which are services reimbursable by Medicaid. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, and in the case of the Sabine Council, an assessed sales tax, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The council does not have any business-type activities. However, the Council does charge a fee for persons under 60 years old to ride the Council's vans. We do not view the fees we charge for these activities as a business-type activity because we do not intend to make a profit or recover the full cost of providing the service.

### **REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS USING FUND FINANCIAL STATEMENTS**

Our analysis of the Council's major funds begins on page 18. The Fund Financial Statements can be found on pages 18 to 19 and provide detailed information about the most significant funds - not the Council as a whole. In the Fund Financial Statements, you will see a General Fund and a variety of major Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets of governmental activities and the fund balance of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in a reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

### **NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 to 37. You should read the notes before making assumptions or drawing conclusions about the Council's financial conditions.

### **SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34**

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria, but which we believe is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented under Required Supplementary Information (Part I) at the beginning of the reporting package and not with the other RSI by GASB Statement 34.

**OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA AND OMB CIRCULAR A-133**

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 44 to 45. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council.

**AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The following table reflects condensed information on the Council's net assets:

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 712,844	\$ 409,732
Capital assets, net of depreciation	1,222,436	1,273,489
Total Assets	<u>\$ 1,935,280</u>	<u>\$ 1,683,221</u>
 Total current liabilities	 <u>\$ 39,945</u>	 <u>\$ 62,695</u>
 Net Assets:		
Invested in capital assets, net of related debt	\$ 1,222,436	\$ 1,273,489
Restricted	9,809	8,672
Unrestricted	663,090	338,365
Total Net Assets	<u>\$ 1,895,335</u>	<u>\$ 1,620,526</u>

As of June 30, 2007, the Council "as a whole" had assets greater than its liabilities by \$1,895,335. The Council's total net assets increased from \$1,620,526 to \$1,895,335. This is due primarily to the 10-year sales tax passed July 2003 and the finished construction of the Council's new building in June 2006.

The Council's unrestricted net assets increased by \$324,725 from last year's amount. About 17% of the Council's net assets are unrestricted as of June 30, 2007. It is important that the Council have unrestricted net assets so there will be resources available to adapt to changes in the economy, emergencies, unexpected needs, reductions in or termination of grant revenues by government agencies and future capital expenditures.

The Council's restricted net assets of \$9,809 are for utility assistance. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or

laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The net assets that have been invested in capital assets (\$1,222,436) are presented net of depreciation and any related outstanding debt incurred to acquire them.

Total liabilities decreased by \$22,750 this year or 36%. The primary reason for the decrease is the payoff of current liabilities.

The table below illustrates the revenues and expenses that caused the change in net assets over the year.

	<u>2007</u>	<u>2006</u>
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 45,021	\$ 46,200
Operating Grants and Contributions	375,043	333,080
Capital Grants and Contributions		245,000
<b>General Revenues</b>		
Sales Tax Revenue	634,837	638,119
Unrestricted Grants and Contributions	2,185	7,294
Interest Income	4,811	5,237
Other General Revenues	3,122	3,999
<b>Total Revenues</b>	<u>1,065,019</u>	<u>1,278,929</u>
<b>Program Expenses of the Health Welfare &amp; Social Services</b>		
<b>Supportive Services:</b>		
Homemaker	28,482	24,975
Recreation	14,889	
Public Education		2,110
Information and Assistance	3,000	3,981
Legal Assistance	3,000	3,000
Outreach	600	8,158
Transportation	107,793	98,986
<b>Nutrition Services:</b>		
Congregate Meals	68,873	67,772
Home Delivered Meals	269,067	188,785
Nutrition Education	252	126
<b>Medication Management and Wellness</b>	10,309	4,766
National Family Caregiver	39,724	24,974
Utility Assistance	1,542	1,014
<b>Program Expenses of Medicaid Transportation</b>	128,807	107,990
<b>Administration Expenses</b>	114,072	93,430
<b>Total Expenses</b>	<u>790,210</u>	<u>630,067</u>
<b>Excess of revenues over expenses before special items</b>	274,809	648,862
Gain on sale of asset		500
<b>Increase In Net Assets</b>	<u>\$ 274,809</u>	<u>\$ 649,362</u>

The Council's total revenues were \$1,065,019 for government-wide financial statements. The prior year's revenue was \$1,278,929, which reflects a decrease of revenue of \$213,910. Total expenses increased by \$160,143 from \$630,067 in 2006 to \$790,210 in 2007, due to a \$160,143 increase in costs of program services for our clients.

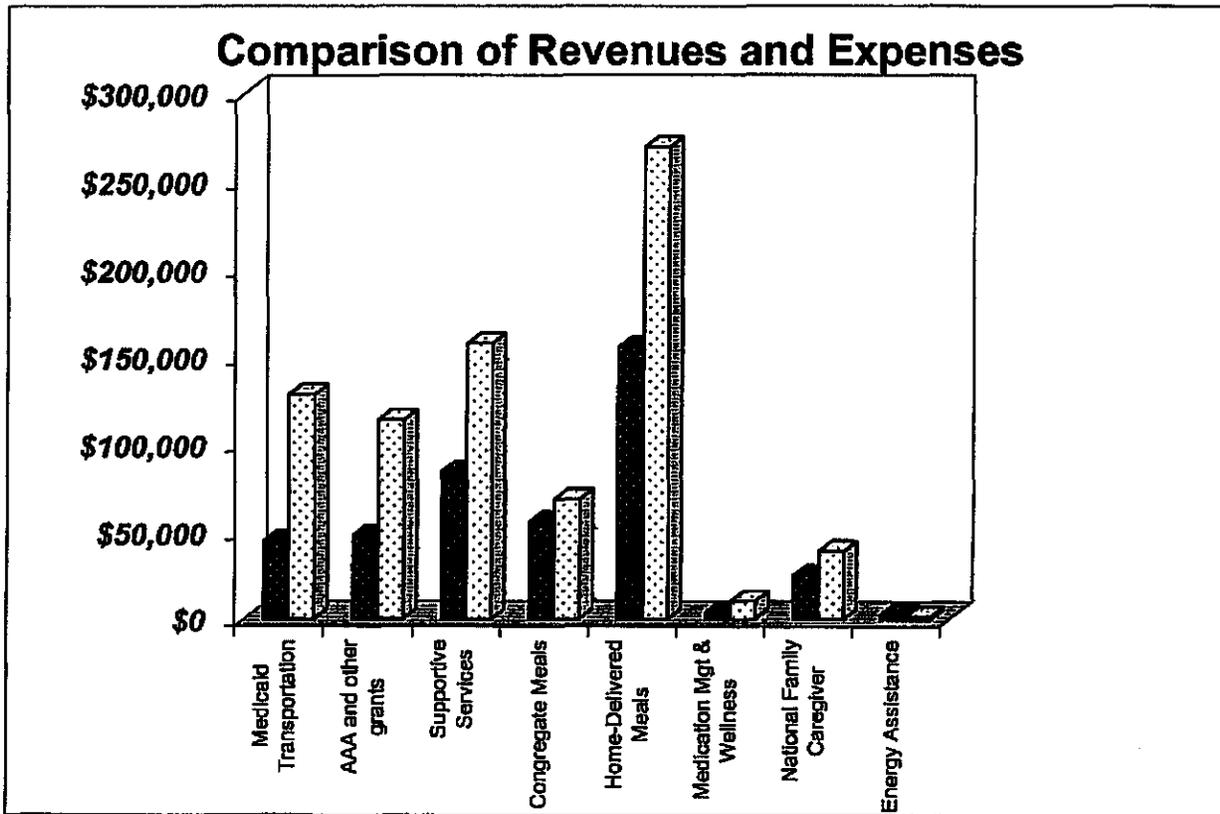
## AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 88% of the revenues restricted for specific programs of the Council in 2007. These grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

In 2003, the Council began receiving monies from a sales tax passed for a term of ten years beginning October 2003. This revenue, decreased \$3,282 in 2007.

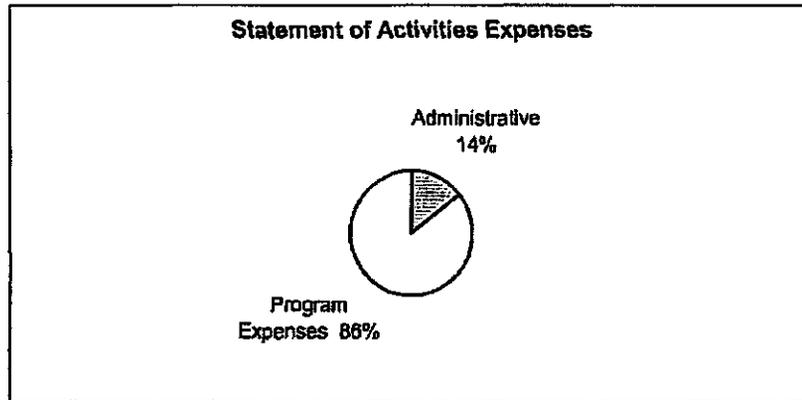
The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented only a small portion of revenues for the predominately rural area.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are related to transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Sabine Parish. Demand for these services is high; therefore, resources are channeled to meeting the demand.



You will note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Council's budgets for these activities with this in mind. As you will note, not all program revenues are included in this chart. Other types of grant monies are available to assist in the cost of certain programs, for instance, NSIP monies are utilized with the CI and CII programs for the cost of raw materials for meal served to the qualified individuals. This chart is only to demonstrate those revenues and expenses that have been either directly or indirectly allocated to these specific funds prior to transfers. Traditionally, once qualified transfers from all grant sources have been exhausted, general revenues are used to cover the excess of expenses over revenues in these activities.

Another indication of how we are using money and resources efficiently can be analyzed by calculating the percentage of administration and in-kind expenses in relation to total expenses.



Finally, the Utility Assistance program has revenues greater than expenses for the year after all qualified transfers have been exhausted. No indirect costs can be charged to this program because under the terms of the contract, the contributions given by the donor may only be used to pay for utility bills for certain needy people who meet the guidelines to receive assistance. In any given year, the amount of contributions received in this program may exceed the demand from qualified recipients.

## **AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS**

### **Fund Balances**

The Council showed a combined governmental fund balance of \$672,899 (as shown on the Fund Financial Statement's balance sheet on page 18) at the end of this year, which is an increase of \$325,862 versus last year. When you look at the funds individually you will see that the Council's General Fund increased by \$324,725 this year and the Special Revenue Funds have a combined fund balance increase of \$1,137.

The primary reason for the increase in the General Fund's fund balance is as follows:

- Capital outlays and general obligation bonds were paid off in 2006.
- No new obligations were entered into in 2007.

### **Revenues**

The combined fund revenues decreased \$132,050 this year versus last year. The primary reason is:

- We did not receive a large capital grant.
- Sales tax revenue decreased due to a dip in the local economy.

### **Expenditures**

Current total expenditures increased by \$242,003 this year, which is less than last year's increase of \$943,154. A notable reason why this occurred is as follows:

- This decrease is due to the fact that there were no capital outlays.

## AN ANALYSIS OF THE GENERAL FUND BUDGET

Our GOEA budget was approved June 2007. You can find schedules of the original budget for the General Fund in the Supplementary Financial Information Required by GASB 34 section of this report on pages 39 to 42. When you review the budget versus actual schedule, you will note the favorable and unfavorable variances. Sales tax revenue and program revenue fees were significantly higher than budgeted. The capital outlays were not budgeted in the original budget.

## AN ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of the year, the Council had \$1,222,436 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$51,053 over last year.

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Buildings and land	\$ 1,204,815	\$ 12,033		\$ 1,216,848
Furniture and equipment	31,591	6,085	(1,438)	36,239
Automotive equipment	206,488			206,488
Construction-in-progress	6,000		(6,000)	0
<b>Total general fixed assets</b>	<b>\$ 1,448,894</b>	<b>\$ 18,119</b>	<b>\$ (7,438)</b>	<b>\$ 1,459,375</b>
<b>Accumulated Depreciation</b>				
Buildings and land	\$ 42,813	\$ 29,846		\$ 72,459
Furniture and equipment	11,860	4,802	(1,438)	15,024
Automotive equipment	120,932	28,524		149,456
Construction-in-progress				
<b>Total accumulated depreciation</b>	<b>\$ 175,205</b>	<b>\$ 63,172</b>	<b>\$ (1,438)</b>	<b>\$ 236,939</b>
<b>Total Net Assets</b>	<b>\$ 1,273,489</b>	<b>\$ (45,053)</b>	<b>\$ (6,000)</b>	<b>\$ 1,222,436</b>

At the end of June 30, 2007, the Council had no long-term debt.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As in the past, the Council receives funding from federal and state agencies for specific programs. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. Due to the sales tax revenue, a large percentage of funding is presently coming from a new taxpayer source. In setting the budget for fiscal year 2007-2008, it was important that we deliver an increased level of service to our clients and the public compared to what we did in 2006-2007. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FYE 2008. There have been no significant changes to the funding levels from the Governor's Office of Elderly Affairs or terms of the grants and contracts. Accordingly, we have set our initial budget to reflect and increase in the programs offered as well as an increase in the number of clients served next year.

## CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Linda Rigsby, the Council's Executive Director, at the Council's main office located at 200 Legacy Drive, Many, Louisiana, 71449, by phone at (318) 256-4140, or by email [scoa@bellsouth.net](mailto:scoa@bellsouth.net).

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**STATEMENT OF NET ASSETS**  
For the Year Ended June 30, 2007

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash	\$ 598,946
Restricted cash for utility assistance	9,809
Receivables	63,479
Prepaid expenses	40,090
Utility deposits	520
Capital assets, net of accumulated depreciation	1,222,436
Total Assets	\$ 1,935,280
<b>LIABILITIES</b>	
<i>Current:</i>	
Accounts payables	\$ 26,302
Payroll taxes withheld and accrued	13,643
Total Liabilities	\$ 39,945
<b>NET ASSETS</b>	
Invested in capital assets	\$ 1,222,436
Restricted for:	
Utility Assistance	9,809
Unrestricted	663,090
Total Net Assets	\$ 1,895,335

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2007

Function/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Assets
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>						
<b>Health, Welfare &amp; Social Services:</b>						
<b>Supportive Services:</b>						
Homemaker	\$ 16,509	\$ 11,973	\$	\$ 15,420	\$	\$ (13,062)
Recreation	11,898	2,991		7,391		(7,496)
Information and assistance	1,739	1,261		1,442		(1,556)
Legal assistance	3,000			3,000		0
Outreach	348	252		289		(311)
Transportation	62,481	45,312		56,467		(51,326)
<b>Nutrition Services:</b>						
Congregate meals	52,127	16,746		55,837		(13,036)
Home delivered meals	200,964	68,103		155,453		(113,614)
Nutrition education	252					(252)
Utility assistance	1,542			2,679		1,137
<b>Medication Management and Wellness</b>	6,375	3,934		3,510		(6,799)
<b>National family caregiver:</b>						
Respite care	27,959			17,289		(10,670)
Sitter service	5,000			3,458		(1,542)
Other services	4,135	2,630		4,661		(2,104)
<b>Medical Transportation Administration</b>	74,804	53,803	45,021			(83,586)
	27,712	86,380		48,147		(65,925)
<b>Total Governmental Activities</b>	<u>\$ 496,845</u>	<u>\$ 293,365</u>	<u>\$ 45,021</u>	<u>\$ 375,043</u>	<u>\$ 0</u>	<u>(370,146)</u>
<b>General revenues:</b>						
Grants and contributions not restricted to specific programs						2,185
Sales tax revenue						634,837
Miscellaneous						3,122
Interest income						4,811
<b>Total general revenues</b>						<u>644,955</u>
<b>Increase (decrease) of net assets</b>						<u>274,809</u>
<b>Net Assets Beginning</b>						1,820,526
<b>Net Assets Ending</b>						<u>\$ 1,895,335</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
For the year ended June 30, 2007

	GENERAL	TITLE III B	TITLE III C-1	TITLE III C-2	NON-MAJOR	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash	\$ 608,755	\$	\$	\$	\$	\$ 608,755
Grants and Contracts Receivable					5,844	5,844
Sales Tax Receivable	57,635					57,635
Due from General Fund					3,965	3,965
Prepaid Expenses	40,090					40,090
Utilities Deposits	520					520
<b>Total Assets</b>	<u>\$ 707,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,809</u>	<u>\$ 716,809</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts Payable	\$ 26,302	\$	\$	\$	\$	\$ 26,302
Accrued Payroll Taxes	13,643					13,643
Due to Special Revenue Fund	3,965					3,965
<b>Total Liabilities</b>	<u>43,910</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,910</u>
<b>FUND BALANCES:</b>						
Reserved for:						
Utility Assistance					9,809	9,809
Unreserved/Undesignated	663,090					663,090
<b>Total Fund Balances</b>	<u>663,090</u>				<u>9,809</u>	<u>672,899</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 707,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,809</u>	<u>\$ 716,809</u>
					Fund Balances	672,899
Amounts reported for governmental activities in the statements of net assets are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.						1,222,436
<b>Net Assets of Governmental Activities</b>						<u>\$ 1,895,335</u>

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2007

	GENERAL	TITLE III-B	TITLE III-C-1	TITLE III-C-2	NONMAJOR FUNDS	TOTAL
<b>REVENUES</b>						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 45,680	\$ 79,182	\$ 45,662	\$ 55,524	\$ 111,440	\$ 337,468
FEMA					10,068	10,068
Sales tax revenue	634,837					634,837
Public Support	2,820				2,679	5,499
Program service fees						
Medical Transportation	39,933					39,933
Client Contributions	5,088	4,827	7,075	12,926		29,916
Interest Income	4,811					4,811
Miscellaneous	2,488					2,488
<b>Total Revenues</b>	<b>735,637</b>	<b>84,009</b>	<b>52,737</b>	<b>68,450</b>	<b>124,187</b>	<b>1,065,020</b>
<b>EXPENDITURES</b>						
Health, Welfare & Social Services						
Current:						
Personnel	58,914	66,727	25,150	71,965	16,495	239,251
Fringe benefits	7,402	8,482	3,238	8,946	2,064	30,132
Travel	1,926	7,208	1,151	41,507	1,057	52,849
Operating services	46,260	40,130	6,322	29,444	10,692	132,848
Operating supplies	35,186	17,625	1,873	7,271	4,158	66,113
Other costs	6,621	17,801	3,108	9,254	38,755	75,339
Meals			28,157	100,807		128,964
Utility assistance					1,542	1,542
Capital outlays	12,120					12,120
<b>Total Expenditures</b>	<b>168,429</b>	<b>157,773</b>	<b>68,999</b>	<b>269,194</b>	<b>74,763</b>	<b>739,158</b>
Excess (deficiency) of revenues over expenditures	567,208	(73,764)	(16,262)	(200,744)	49,424	325,862
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers in		73,764	16,262	200,744	21,156	311,926
Operating Transfers out	(242,483)				(69,443)	(311,926)
<b>Total Other Financing Sources and Uses</b>	<b>(242,483)</b>	<b>73,764</b>	<b>16,262</b>	<b>200,744</b>	<b>(48,287)</b>	<b>0</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>324,725</b>				<b>1,137</b>	<b>325,862</b>
<b>FUND BALANCES</b>						
Beginning of the year	338,365				8,672	347,037
End of the year	<b>\$ 663,090</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 9,809</b>	<b>\$ 672,899</b>

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2007

Net Increase (Decrease) in fund balances - total governmental funds	\$	325,862
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$12,119) exceed depreciation (\$63,172) in the current period.

<u>(51,053)</u>
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Increase (Decrease) of net assets of governmental activities	\$	<u>274,809</u>
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**NOTES TO THE FINANCIAL STATEMENTS**

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies**

**A. Purpose of the Council on Aging:**

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Sabine Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of Sabine Parish include providing congregate and home delivered meals, nutritional education, caregiver assistance, information and assistance, outreach, material aid, utility assistance, homemaker service, recreation, legal assistance, disease prevention, health promotion, and transportation.

**B. Reporting Entity:**

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and each council is governed by the policies and regulations established by GOEA.

The Sabine Council on Aging is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations 35 years ago. A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials.

*Membership in the Council is open at all times, without restriction, to all residents of Sabine Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.*

Based on the criteria set forth in GASB Statement 14, the Sabine Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**B. Reporting Entity: (continued)**

policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

**C. Presentation of Statements:**

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Council's activities .
- A change in the fund financial statements to focus on the major funds.

These elements are reflected in the accompanying financial statements (including notes to financial statements).

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As of and for the year Ended June 30, 2007**

**1. Summary of Significant Accounting Policies (continued)**

**D. Basic Financial Statements - Government-Wide Statements**

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs.

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**D. Basic Financial Statements - Government-Wide Statements: (continued)**

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs. The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

**E. Basic Financial Statements - Fund Financial Statements:**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The following is a description of the governmental funds of the Council:

- **The General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services-Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

1. **Summary of Significant Accounting Policies (continued)**

**E. Basic Financial Statements - Fund Financial Statements: (continued)**

The following is a brief description of each fund's purpose:

**General Fund**

The General Fund accounts for the following types of revenue and expenses:

**Medicaid Transportation** costs are accounted for under the general fund. This is a program where the Council transports certified Medicaid participants for medical treatments to and from the medical facilities. The Council is reimbursed based on mileage by the Department of Health and Hospitals (DHH). During the year the Council served 2,768 people eligible to participate in this program

**Other Local Funds** are revenues, such as, (1) donations from the general public, (2) income from various fund raisers, (3) program service revenue from providing Medicaid transportation services, (4) interest income earned on idle funds which have been invested, and (5) the sales tax revenue assessed in the parish. Expenses incurred which are not chargeable to specific programs and expenses incurred to produce related program service fees and fund raising incomes are recorded as general fund expenditures. These local revenues are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with local funds.

The **PCOA (Act 735)** revenue recorded in the general fund is appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years of age.

**Major Special Revenue Funds**

The **Title III B Fund** is used to account for funds, which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	Units
Information and assistance	708
Legal assistance	75
Homemaker	1,010
Material aid	157
Outreach	144
Recreation	10,543
Telephone reassurance	1,506
Transportation	4,843

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**E. Basic Financial Statements - Fund Financial Statements: (continued)**

**The Title III C-1 Fund** is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in the Many, Converse, Pleasant Hill and Zwolle areas. During the year the Council provided 11,083 units of service to people eligible to participate in this program. They also provided 83 units of nutritional education to participants at these sites.

**The Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served meals totaling 40,431 units of service during the year to people eligible to participate in this program.

**Non-Major Special Revenue Funds**

**The Title III C Area Agency Administration Fund** is used to account for a portion of the indirect costs of administrating the Council's programs. Each fiscal year GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the elderly. The amount of funding is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

**The Title III D Fund** is used to account for funds used for disease prevention and health promotion activities. During the year 4,034 units of wellness service were provided to eligible participants in this program.

**The Title III E Fund** is used to account for National Family Caregiver Support Program (NFCSP) funds used to provide a multi-faceted system of support services for family caregivers and for grandparents or older individuals who are relative caregivers. NFCSP Caregiver Services include (1) information about services/education, (2) assistance with access to services, (3) counseling/support groups, (4) respite care, (5) supplemental services including material aid, and sitter services. During the year 1,501 units of service were provided.

**The Senior Center Fund** is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Sabine Parish is located in Many. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred all of its grant revenue to the Title III C-2 Fund to subsidize that program's cost of providing supportive services to elderly persons who use the senior center.

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**E. Basic Financial Statements - Fund Financial Statements: (continued)**

**The Audit Fund** is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs were recorded in the General Fund.

**The Utility Assistance Fund** is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The Council receives its Project Care donations directly from Entergy Corporation. LP&L Helping Hands donations are provided through the Louisiana Association of Councils on Aging, Inc. (LACOA). During the year, the Council was able to provide \$1,542 of service with these funds.

**The Supplemental Senior Center Fund** was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Sabine Council on Aging was one of the parish councils to receive a supplemental grant of \$3,825. The money received by this fund during the year was transferred to the Title III C-1 Fund to supplement the supportive services provided by this fund. GOEA provided these funds to the Council.

**The EFSP Fund** is used to account for the administration of the Emergency Food and Shelter National Board Program whose purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency (FEMA) to help provide additional home-delivered meals.

**The FTA Fund** was established to account for funds under the U.S. Department of Transportation's Public Transportation for the acquisition of vehicles purchased in part with federal funds under various capital assistance programs. The Louisiana Department of Transportation and Development (DOTD) receives these funds for the State of Louisiana and passes them through to the Sabine Council on Aging, Inc. The Louisiana Department of Transportation and Development also coordinated the receipt of the required match funds from the Council.

**The N.S.I.P. Fund** is used to account for the administration of the Nutrition Program for Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. Beginning October 1, 2000, GOEA began distributing NSIP funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. The primary purpose of the NSIP reimbursement is to provide money to the Council so that United States food and commodities may be purchased to supplement nutrition programs.

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**F. Measurement Focus and Basis of Accounting:**

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual Basis – Government-Wide Financial Statements (GWFS):**

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**2. Modified Accrual Basis – Fund Financial Statements (FFS):**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

**G. Interfund Activity:**

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the Government-Wide Financial Statements.

**H. Cash and Investments:**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 182 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values. Under state law, The Council may deposit funds in demand deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. The Council may invest in certificates

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**H. Cash and Investments: (continued)**

and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, the Council may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 182 days. The Council does not hold investments as described.

**I. Reservation and Designations of Fund Balances:**

The Council "reserves" portions of its fund balances that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations. Designated allocation of fund balances result when the Council's management intends to expend certain resources in a designated manner.

**J. Restricted Assets:**

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

**K. Prepaid Expenses/Expenditures:**

Prepaid expenses include amounts paid for services in advance. These expenses are shown as assets on the Government-Wide Statement of Net Assets. However, in the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

**L. Capital Assets:**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

**SABINE COUNCIL ON AGING, INC.**  
Many, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**L. Capital Assets: (continued)**

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5-7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category of capital asset, management has established 10% of the vehicle's initial cost as a salvage value estimate. Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

**M. Unpaid Compensated Absences:**

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave up to twelve days. Accordingly, a liability for the unpaid vacation leave has been recorded. Management has estimated this liability to be current based on historical trends and therefore is recorded as a payroll payable. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the Government-Wide Financial Statements relative to sick leave.

**N. Allocation of Indirect Expenses:**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

**O. Management's Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**1. Summary of Significant Accounting Policies (continued)**

**P. Elimination and Reclassifications:**

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**Q. Deferred Revenues:**

The Council reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**R. Use of Restricted/Unrestricted Net Assets:**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Council's policy is to apply restricted net assets first.

**2. Revenue Recognition**

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

**3. Cash**

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. In addition to the consolidated bank account, the Council has a separate bank account to deposit and disburse sales tax revenue funds, payroll, and capital outlays. The Council also has an interest bearing savings account.

At year-end, the carrying amount of the Council's cash balances on the books, which includes \$100 of petty cash, was \$608,755, whereas the related bank balances totaled \$621,276. The difference in the book, and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by year-end. Bank balances of \$300,000 are secured from risk by federal deposit insurance and \$258,510 of pledged securities held by

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**3. Cash (continued)**

the custodial bank in the name of the fiscal agent bank. The remaining balance of \$62,766 is not secured by the pledge of securities and is a violation of state law.

Accordingly, bank and deposits are classified as a "Category 3" credit risk in accordance with GASB Statement 3. GASB Statement 3 categorizes deposits into three categories of credit risk:

1. Insured by FDIC or collateralized with securities held by the Council or by its agent in the Council's name. (Category 1)
2. Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. (Category 2)
3. Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Council's name; or collateralized with no written or approved collateral agreement. (Category 3)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a legal requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

Under state law, all bank deposits must be (1) secured by federal deposit insurance or by the pledge of securities owned by the fiscal agent bank, or (2) invested exclusively in instruments backed by the U.S. government. The fair value of the pledged securities plus the federal deposit insurance must always equal or exceed the amount on deposit with the fiscal agent.

**4. Government Grants and Contracts Receivable**

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end. Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Nutrition Services	FEMA	Direct	\$ 5,034
Legal services	IIIB	Local	10
USDA	NSIP	Federal	800
			<u>\$ 5,844</u>

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**5. Changes in Capital Assets**

A summary of changes in capital assets is as follows:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Buildings and land	\$ 1,204,615	\$ 12,033	\$	\$ 1,216,648
Furniture and equipment	31,592	6,086	(1,438)	36,240
Automotive equipment	206,487			206,487
Construction-in-progress	6,000		(6,000)	0
Total general fixed assets	<u>\$ 1,448,694</u>	<u>\$ 18,119</u>	<u>\$ (7,438)</u>	<u>\$ 1,459,375</u>
Accumulated Depreciation				
Buildings and land	\$ 42,613	\$ 29,846	\$	\$ 72,459
Furniture and equipment	11,660	4,802	(1,438)	15,024
Automotive equipment	120,932	28,524		149,456
Construction-in-progress				
Total accumulated depreciation	<u>\$ 175,205</u>	<u>\$ 63,172</u>	<u>\$ (1,438)</u>	<u>\$ 236,939</u>
Total Net Assets	<u>\$ 1,273,489</u>	<u>\$ (45,053)</u>	<u>\$ (6,000)</u>	<u>\$ 1,222,436</u>

Depreciation expense of \$63,172 was charged to the Administrative function on the government-wide Statement of Activities.

**6. Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's reimbursement policy.

**7. In-Kind Contributions**

The Council received \$81,860 in various in-kind contributions during the year, which have been valued at their estimated fair market value. The in-kind activities been omitted from the Council's financial statements. The primary in-kind contributions consisted of labor and related costs, rent, materials and activities related to health fairs, fundraisers and the meal-site facilities. A summary of the in-kind contributions and their respective values is as follows:

Salary and fringe benefits	\$ 43,060
Travel	2,000
Operating supplies	22,400
Other	14,400
Total in-kind	<u>\$ 81,860</u>

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**8. Interfund Receivables and Payables**

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of these interfund loans at year end is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$	\$ 3,965
Special Revenue Funds	3,965	
	\$ 3,965	\$ 3,965

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

**9. Interfund Transfers**

Interfund transfers to and from are listed by fund for the fiscal year as follows:

Funds Transferred Out	Funds Transferred In						Total
	AAA	Title III-B	Title III-C-I	Title III-C-II	Title III-D	Title III-E	
Senior Center	\$	\$	\$	\$ 33,775	\$	\$	\$ 33,775
Supp. Senior Ctr			3,100				3,100
NSIP				22,500			22,500
FEMA				10,068			10,068
PCOA (Act 735)				20,660			20,660
General Fd/Local	40	73,764	13,162	113,741	6,799	14,317	221,823
Total	\$ 40	\$ 73,764	\$ 16,262	\$ 200,744	\$ 6,799	\$ 14,317	\$ 311,928

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them, to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

**10. Income Tax Status**

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**11. Related Party Transactions**

There were no significant related party transactions during the year.

**12. Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

The Council's management is not aware of any potential judgments, claims or similar contingencies pending at year end.

**13. Sales Tax Revenue**

The Sabine Council on Aging, Inc. acting through the Policy Jury of Sabine Parish was successful in passing a one-fourth of one percent (1/4%) sales and use tax on July 19, 2003. This is a tax for ten years beginning October 1, 2003. These funds are to provide funds for administering, acquiring, constructing, improving, maintaining, supporting and operating authorized activities, services, programs, and/or facilities for the council. The revenue recognized for the year ended June 30, 2007 is \$634,837.

**14. Contingencies-Grant Programs**

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year-end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the year Ended June 30, 2007

**15. Economic Dependency**

The Council receives the approximately one-third of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA) and the Louisiana Department of Transportation and Development (DOTD). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Year Ended June 30, 2007

	BUDGET AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 45,660	\$ 45,660	\$ 45,660	-
Sales tax revenue	600,000	600,000	634,837	34,837
Public Support	3,000	3,000	2,820	(180)
Interest income	3,000	3,000	4,811	1,811
Program service fees				
Medicaid Transportation	40,000	40,000	39,933	(67)
Client Contributions	5,000	5,000	5,088	88
Miscellaneous	7,000	7,000	2,488	(4,512)
<b>Total Revenues</b>	<u>703,660</u>	<u>703,660</u>	<u>735,637</u>	<u>31,977</u>
<b>EXPENDITURES</b>				
Personnel	61,577	59,327	58,914	413
Fringe benefits	7,072	7,351	7,402	(51)
Travel	1,817	1,935	1,926	9
Operating services	34,048	38,267	46,260	(7,993)
Operating supplies	17,886	17,832	35,186	(17,554)
Other costs	7,520	6,209	6,621	(412)
Capital outlays	300,000	30,000	12,120	17,880
<b>Total Expenditures</b>	<u>429,700</u>	<u>160,721</u>	<u>168,429</u>	<u>(7,708)</u>
Excess (deficiency) of revenues over expenditures	<u>273,960</u>	<u>542,939</u>	<u>567,208</u>	<u>24,269</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in				
Operating Transfers out	(273,960)	(273,960)	(242,483)	(31,477)
<b>Total Other Financing Sources and Uses</b>	<u>(273,960)</u>	<u>(273,960)</u>	<u>(242,483)</u>	<u>(31,477)</u>
<b>Net Increase (Decrease) in Fund Balances</b>		268,979	324,725	55,746
<b>FUND BALANCES</b>				
Beginning of the year	338,365	338,365	338,365	
End of the year	<u>\$ 338,365</u>	<u>\$ 607,344</u>	<u>\$ 663,090</u>	<u>\$ 55,746</u>

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III B Supportive Services**  
**For the Year Ended June 30, 2007**

	BUDGET AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 79,182	\$ 79,182	\$ 79,182	-
Client Contributions	8,500	4,000	4,827	827
<b>Total Revenues</b>	<u>87,682</u>	<u>83,182</u>	<u>84,009</u>	<u>827</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	71,437	67,986	66,727	1,259
Fringe benefits	8,204	8,424	8,482	(58)
Travel	7,036	7,351	7,208	143
Operating services	37,840	41,053	40,130	923
Operating supplies	17,984	17,911	17,825	286
Other costs	15,770	18,132	17,601	531
<b>Total Expenditures</b>	<u>158,271</u>	<u>180,857</u>	<u>157,773</u>	<u>3,084</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(70,589)</u>	<u>(77,675)</u>	<u>(73,764)</u>	<u>3,911</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	70,589	77,675	73,764	3,911
Operating Transfers out				
<b>Total Other Financing Sources and Uses</b>	<u>70,589</u>	<u>77,675</u>	<u>73,764</u>	<u>3,911</u>
<b>Net Increase (Decrease) In Fund Balances</b>				
<b>FUND BALANCES</b>				
Beginning of the year				
End of the year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III C-1 Congregate Meals**  
**For the Year Ended June 30, 2007**

	BUDGET AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 45,662	\$ 45,662	\$ 45,662	-
Client Contributions	5,000	7,000	7,075	75
Total Revenues	<u>50,662</u>	<u>52,662</u>	<u>52,737</u>	<u>75</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	32,414	25,948	25,150	798
Fringe benefits	3,723	3,215	3,238	(23)
Travel	997	1,057	1,151	(94)
Operating services	9,037	6,369	6,322	47
Operating supplies	2,259	2,086	1,873	213
Other costs	2,881	3,192	3,108	84
Meals	28,760	27,500	28,157	(657)
Total Expenditures	<u>80,171</u>	<u>69,367</u>	<u>68,999</u>	<u>368</u>
Excess (deficiency) of revenues over expenditures	<u>(29,509)</u>	<u>(16,705)</u>	<u>(16,262)</u>	<u>443</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	29,509	16,705	16,262	443
Operating Transfers out				
Total Other Financing Sources and Uses	<u>29,509</u>	<u>16,705</u>	<u>16,262</u>	<u>443</u>
<b>Net Increase (Decrease) in Fund Balances</b>				
<b>FUND BALANCES</b>				
Beginning of the year				
End of the year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III C-2 Home Delivered Meals**  
**For the Year Ended June 30, 2007**

	BUDGET AMOUNTS		ACTUAL	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 55,244	\$ 55,244	\$ 55,524	280
Client Contributions	12,000	13,000	12,926	(74)
<b>Total Revenues</b>	<b>67,244</b>	<b>68,244</b>	<b>68,450</b>	<b>206</b>
<b>EXPENDITURES</b>				
Current:				
Personnel	71,190	71,682	71,965	(283)
Fringe benefits	8,176	8,882	8,946	(64)
Travel	28,560	39,513	41,507	(1,994)
Operating services	29,499	29,793	29,444	349
Operating supplies	7,269	7,381	7,271	110
Other costs	8,905	9,717	9,254	463
Meals	90,010	94,350	100,807	(6,457)
<b>Total Expenditures</b>	<b>243,609</b>	<b>261,318</b>	<b>269,194</b>	<b>(7,876)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(176,365)</b>	<b>(193,074)</b>	<b>(200,744)</b>	<b>(7,670)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	176,365	193,074	200,744	(7,670)
Operating Transfers out				
<b>Total Other Financing Sources and Uses</b>	<b>176,365</b>	<b>193,074</b>	<b>200,744</b>	<b>(7,670)</b>
<b>Net Increase (Decrease) in Fund Balances</b>				
<b>FUND BALANCES</b>				
Beginning of the year				
End of the year	\$	\$	\$	\$

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA**

**SABINE COUNCIL ON AGING, INC**  
**Many, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS—NONMAJOR FUNDS**  
 For the Year Ended June 30, 2007

	Title III Area Agency Admin.	TITLE III-D	TITLE III-E	EFSP (FEMA)	NSIP (USDA)	Senior Center	Supplemental Senior Center	Energy Assistance	Audit	TOTAL
<b>REVENUES</b>										
Intergovernmental:										
Governor's Office of Elderly Affairs	\$ 21,716	\$ 3,510	\$ 25,408	\$ 10,068	\$ 22,500	\$ 33,775	\$ 3,100	\$ 2,679	\$ 1,431	\$ 111,440
FEMA				10,068						10,068
General Public via Utility Co. Programs								2,679		2,679
<b>Total Revenues</b>	<u>21,716</u>	<u>3,510</u>	<u>25,408</u>	<u>10,068</u>	<u>22,500</u>	<u>33,775</u>	<u>3,100</u>	<u>2,679</u>	<u>1,431</u>	<u>124,167</u>
<b>EXPENDITURES</b>										
Current:										
Personnel	8,515	5,410	2,570							16,495
Fringe benefits	1,050	692	322							2,064
Travel	720	250	87							1,057
Operating services	8,214	1,485	993							10,692
Operating supplies	857	1,185	2,116							4,158
Other costs	2,400	1,287	33,637						1,431	38,755
Utility assistance								1,542		1,542
<b>Total Expenditures</b>	<u>21,756</u>	<u>10,309</u>	<u>39,725</u>					<u>1,542</u>	<u>1,431</u>	<u>74,763</u>
Excess (deficiency) of revenues over expenditures	(40)	(6,799)	(14,317)	10,068	22,500	33,775	3,100	1,137		49,424
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating Transfers in	40	6,799	14,317	0	0	0	0	0	0	21,156
Operating Transfers out	0	0	0	(10,068)	(22,500)	(33,775)	(3,100)	0	0	(69,443)
<b>Total Other Financing Sources and Uses</b>	<u>40</u>	<u>6,799</u>	<u>14,317</u>	<u>(10,068)</u>	<u>(22,500)</u>	<u>(33,775)</u>	<u>(3,100)</u>	<u>0</u>	<u>0</u>	<u>(48,287)</u>
<b>Net increase (Decrease) in Fund Balances</b>								1,137		1,137
<b>FUND BALANCES</b>										
Beginning of the year								8,672		8,672
End of the year								<u>\$ 9,809</u>		<u>\$ 9,809</u>

The accompanying notes are an integral part of this statement.

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN GENERAL FIXED ASSETS**  
For the Year Ended June 30, 2007

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
<b>General Fixed Assets at cost:</b>				
Buildings and Land	\$ 1,204,615	\$ 12,033		\$ 1,216,648
Furniture and Equipment	31,591	6,086	(1,438)	36,239
Automotive Equipment	206,488			206,488
Construction in Progress	6,000		(6,000)	0
<b>Total General Fixed Assets</b>	<b>\$ 1,448,694</b>	<b>18,119</b>	<b>(7,438)</b>	<b>\$ 1,459,375</b>
<b>Investment in General Fixed Assets</b>				
Property Acquired from:				
Medicaid Programs	\$ 5,633	\$	\$	\$ 5,633
Title IIIB Ombudsman	232			232
Title IIIF	231			231
Title IIIC-1	4,110			4,110
Title IIIC-2	2,382			2,382
Senior Center	0			0
PCOA (Act 735)	2,513			2,513
General Funds	1,101,947			1,101,947
Title IIIB Supportive	20,331			20,331
Donations	19,193			19,193
Prior to 1999 - AAA, IIIB, CI, CII, IIID, OMB, IIIF, and Waiver	13,758		(1,438)	12,320
Title IIIC Administrative	5,015			5,015
Title IIID	462			462
Misc. Grants	299,730			299,730
<b>Total Investments in General Fixed Assets</b>	<b>\$ 1,475,537</b>	<b>0</b>	<b>(1,438)</b>	<b>\$ 1,474,099</b>

The accompanying notes are an integral part of this statement.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY OMB  
CIRCULAR A-133**

**SABINE COUNCIL ON AGING, INC.**  
**Many, Louisiana**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2007**

FEDERAL GRANTOR/PASS- THROUGH GRANTORS/ PROGRAM OF CLUSTER TITLE	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Revenue Recognized	Expenditures
<b>U. S. Department of Health and Human Services - Administration on Aging</b>					
Passed through the Governor's Office of Elderly Affairs:					
Special Programs for the Aging:					
Title III, Part B - Supportive Services and Senior Center	93.044	06/30/07	\$ 79,182	\$ 79,182	\$ 79,182
Title III, Part C - Area Agency Administration	93.045	06/30/07	21,716	21,716	21,716
Title III, Part C -1- Nutrition Services - Congregate Meals	93.045	06/30/07	45,662	45,662	45,662
Title III, Part C -2- Nutrition Services - Home Delivered Meals	93.045	06/30/07	55,524	55,524	55,524
Subtotal CFDA #93.045			<u>122,902</u>	<u>122,902</u>	<u>122,902</u>
Title III, Part D - Preventive Health	93.043	06/30/07	3,510	3,510	3,510
Title III Part E - National Family Caregiver Support Program	93.052	06/30/07	25,408	25,408	25,408
Nutritional Services Incentive Program For 2007 Grant	93.052	06/30/07	22,500	22,500	22,500
Totals for U. S. Department of Health and Human Services - Administration on Aging			<u>253,502</u>	<u>253,502</u>	<u>253,502</u>
<b>Federal Emergency Management Agency</b>					
Passed through the United Way					
Emergency Food and Shelter Program	97.024	11/30/07	10,068	10,068	10,068
Totals for the Federal Emergency Management Agency			<u>10,068</u>	<u>10,068</u>	<u>10,068</u>
Total Federal Grants			<u>\$ 263,570</u>	<u>\$ 263,570</u>	<u>\$ 263,570</u>

Note A - Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Sabine Council on Aging and has been prepared using the accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund financial statements.

Note B - The Sabine Council on Aging, Inc. did not pass-through any of its federal awards to a sub recipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

**OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING  
STANDARDS**

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors  
Sabine Council on Aging, Inc.  
Many, Louisiana

I have audited the basic financial statements of the governmental activities each major fund, and the aggregate nonmajor governmental funds of the Sabine Council on Aging, Inc. as of and for the year ended June 30, 2007, which collectively comprise the Sabine Council on Aging, Inc.'s basic financial statements and have issued my report thereon dated November 9, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Sabine Council on Aging, Inc.'s internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sabine Council on Aging, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Sabine Council on Aging, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sabine Council on Aging, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sabine Council on Aging, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the Sabine Council on Aging, Inc.'s, internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sabine Council on Aging, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Council on Aging, Inc.'s, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an

opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported *Government Auditing Standards* and which is described in the accompanying schedule of findings and other responses as item 2007-1 and 2007-2.

This report is intended solely for the information and use of the Sabine Council on Aging, Inc., Board of Directors and management, federal awarding agencies, pass-through entities and the Legislative Auditor, is *not intended to be, and should not be used by anyone other than these specified parties.* Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Alvin A. Allen, CPA*

Mansfield, Louisiana

November 9, 2007

**SABINE COUNCIL ON AGING, INC.**  
Schedule of Findings and Responses  
For the Year ended June 30, 2007

**SUMMARY OF AUDITOR'S REPORTS**

**INDEPENDENT AUDITOR'S REPORT:**

I have audited the basic financial statements of Sabine Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued my report thereon dated November 9, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the basic financial statements as of June 30, 2007, resulted in an unqualified opinion.

**REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:**

**Internal Control**

Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other Conditions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Compliance**

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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There was no management letter issued.

**FEDERAL AWARDS:**

Not applicable

**MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS:**

None Issued

**MANAGEMENT'S CORRECTIVE ACTION PLAN:**

The plan is included in the financial statements.

**SABINE COUNCIL ON AGING, INC.**  
Schedule of Findings and Responses  
For the Year ended June 30, 2007

**FINANCIAL STATEMENT FINDINGS**

**Compliance finding 2007-1 Budget**

Criteria. The Council is subject to R.S. 39:1301-15 Local Government Budget Act.

Finding. There was no public budget process in accordance with the budget act.

Condition: Units of government with anticipated expenditures of \$500,000 or more must comply with certain public participation privileges. These include public notices, public hearings, and a time frame by which such participation must take place. The Sabine Council on Aging, Inc. did not post public notice or hold a public hearing as required.

Recommendation. Management and the Board should familiarize themselves with the Local Government Budget Act and R.S. 39:1306-1309 concerning public inspection, public participation, and adoption of budgets.

Management's response: We will now hold a public meeting as required and read and familiarize ourselves with the Local Government Budget Act.

**Compliance finding 2007-2 Pledging**

Criteria. Under LSA Revised Statute 33:2929 bank balances must be secured by federal deposit insurance or the pledge of securities.

Finding. The Sabine Council on Aging, Inc. has accounts at three different banks. Two of the banks were found to have adequate pledging, but there was no pledging at People's State Bank.

Recommendation: The Council should have the financial institution pledge enough securities to secure their deposits. This amount should be monitored monthly for proper compliance.

Management's response: The bank has been contacted and the pledging will be monitored more closely.

**SABINE COUNCIL ON AGING, INC.**  
Schedule of Prior Years Findings  
For the year ended June 30, 2007

**COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

**2006-1 Budget:** Partially resolved. See finding 2007-1. The budget was within 5% of the budgeted expenditures. No public meeting was held as required.